the Controller is empowered to give must be in writing. The material part of the Regulation reads as follows :—

"The Controller may give to any person directions requiring him, within such time and in such manner as may be specified in the directions, to furnish..... information . . . . . ."

It is clear that, by whatever method the directions are given, the law requires the Controller to specify (a) the time within which, and (b) the manner in which, the person is required to furnish the information; and there is no evidence that he specified either matter in this case. There is indeed no evidence of how the statement came to be recorded. We do not know if the appellant was sent for, or how he came to be in Mr. Gordon's office. But the specifying of these two matters are legal requirements. The words "as may be specified in the directions" would incline one to the view that it is intended that the directions should be given in writing; and from an evidentiary point of view a document in writing would remove all doubt of whether these legal requirements had been observed, and would therefore be desirable. On the other hand, if the Controller gave verbal directions (over the telephone or otherwise) that the person should attend at his office on a certain day and at a certain time, there to furnish the required information verbally or otherwise, I do not know in what way the Regulation would be infringed. But the two important features of Reg. 29 are :—

(1) The words "within such time and in such manner as may be specified in the directions" require a measure of formality and a measure of notice; the Controller's power under reg. 29 is not the same as the power of a Police Officer making an investigation under Section 123 of the Criminal Procedure Code; and a person is not to be suddenly summoned to the Controller's Office, there to be questioned "ex improviso";

(2) That the Regulation is not to be used except to obtain information for the two limited purposes which are named therein.

Conviction and sentence quashed.

Re YEO JIN GUAT.

[C. A. (Mathew, C.J. (F.M.), Brown and Knight, JJ.) January 8, 1953]

[Singapore — Civil Appeals Nos. 25 & 27 of 1952]

Bankruptcy — Composition — Public Policy — Discretion of Court inspite of Creditors agreeing to a composition.

In this case a Receiving Order was made against Yeo Jin Guat on his own petition on the 3rd of June, 1952. The statement of affairs was submitted and lodged on the 11th of October, 1952, showing total gross liabilities at $3,939,509.57 and assets estimated to produce a total of $554,558.50. The number of creditors including one partly secured creditor total about 1,000.

At the first creditors' meeting held on the 10th September 1952, a special resolution to entertain the proposal of the debtor to pay a composition of 15% was passed by the creditors present either in person or by proxy.

At the subsequent meeting of creditors held on the 29th October, 1952, the meeting confirmed the resolution passed during the first meeting by the requisite majority in number and three-fourths in value of all the creditors who have proved. The opinion of the Official Assignee was that the composition offered cannot be less favourable to the creditors than a dividend in bankruptcy and is therefore probably to the creditor's advantage. Though the offer of 15% must be considered as undoubtedly low, the requisite statutory majority of creditors have decided to accept the composition.

The failure of the bankrupt's business was attributed to heavy interest paid to depositors — 48% in most cases, keen competition in the match business following the closure of imports of matches to Indonesia. There was also evidence that the debtor contracted debts amounting to $120,000 without having any reasonable grounds of expectation of being able to pay them. On the view that the composition would be more favourable to the creditors, the Official Assignee did not object to the proposed composition.

The Chief Justice, before whom the application for the consideration of composition came for hearing, dismissed the same on the ground that in view of the very small dividend proposed, the extent of the liabilities and the conduct of the debtor, the composition should not be approved. Against this decision the bankrupt appealed to the Court of Appeal.

Held, dismissing the appeal: it is not for the Court to approve a composition merely because the majority of the creditors have voted for it.

BANKRUPTCY APPEAL.

D. S. Marshall for the bankrupt.

N. L. Macassey (*J. Pillai* with him) for a number of creditors.

W. G. Alcock, Official Assignee (*S. E. Teh* with him), in person.

Mathew, C.J., (F.M.) delivering the judgment of the Court of Appeal said: — This was an appeal against an order refusing to approve a composition. The learned Chief Justice gave the following grounds for his decision :—

"In view of the very small dividend proposed, the extent of the liabilities and the conduct of the debtor, I was very strongly of the opinion that the composition proposed should not be approved."

Mr. Macassey, for the creditors who voted for the composition, argued at length that the learned Chief Justice had not exercised his discretion on proper principles. Cases setting out these principles were cited to the learned Chief Justice, and it was quite clear that those principles were in his mind when he gave his decision.

It was a question, as it always is, to arrive at a decision having regard to the public interest and commercial morality on the one hand and the best interests of the creditors on the other. It is not for the Court to approve a composition merely because the majority of the creditors have voted for it.

The debtor, between January and June 1952, borrowed more than $120,000 which he knew he had no hope of repaying. He acted in a manner which, to use the mildest possible term, could only be regarded

as widely speculative. His conduct from the point of view of commercial morality was deplorable, and an examination of all the relevant papers before us indicated most clearly that he was not a person who should readily be relieved of the consequences of bankruptcy.

His offer of composition for $700,000 was seemingly attractive because the payment was guaranteed, but it might well result, if approved, in his saving for himself from the wreck a considerable sum of money to the detriment not only of his creditors but also of the public. The difficulties that the Official Assignee would have in realising the debtor's assets was not a factor which could be decisive when weighed against the public interest and the necessity to maintain commercial morality.

On these grounds the appeals were dismissed.

Appeals dismissed.

CHIN CHENG HONG & ANOR. v. HAMEED & ORS.

[C. A. (Mathew, C.J. (F.M.), Murray-Aynsley, C.J. (S.), and Wilson, J.) May 12, 1953]

[K. L. — Civil Appeal No. 15 of 1952]

Partnership — Whether dissolved on enemy occupation where partners divided by line of war — Caveatable interest — Partners' right to lodge caveat against partnership land held in name of another partner.

The four respondents entered into a partnership agreement, the partnership being for a period of six years to expire on 15th June, 1942. The business was to be managed in pairs of two for each 18 months period. At the time of Japanese occupation of Malaya, two of the partners were in India. The partnership business was continued by Respondent No. 1 and, during the occupation period, a piece of land, amongst others, was acquired out of the partnership funds and registered in the name of 1st respondent. 2nd and 3rd respondents who were in India during the occupation period, returned to Malaya in early 1948 and on 26th May, 1948, lodged a caveat against the land registered in name of 1st respondent. By a consent decree dated 2nd July, 1948 the partnership amongst the respondents was dissolved and the assets ordered to be sold.

On 30th November, 1948 1st respondent entered into an agreement with the appellants for the sale of the land. The appellants brought an action for specific performance of the contract against 1st respondent to which the other respondents were joined as defendants on their own application. The trial Judge refused specific performance but awarded to the appellants damages against 1st respondent for breach of contract.

Held by Mathew, C.J. and Wilson, J., (Murray-Aynsley, C.J. (Singapore) dissenting): (1) the partnership was not dissolved on the occupation of Malaya by the Japanese but that it continued and was dissolved by decree in the partnership action made on 2nd July, 1948; (2) where land belonging to a partnership is registered in the name of an agent or one of the partners, the other partners have valid caveatable interests either as claimants of title or as claimants of registrable interests as undivided co-proprietors.

Case referred to:—

(1) *Hangkam Kwingtong Woo v. Liu Lan Fong* (1951) A.C. 707; (1951) 2 All E.R. 567.

COURT OF APPEAL.

F. G. Charlesworth (*K. C. Chan* with him) for the appellants.

B. K. Das for the 2nd, 3rd and 4th respondents.

1st respondent did not appear.

Cur. Adv. Vult.

Mathew, C.J. : — We are concerned in this appeal with only one piece of property which is Grant No. 5481 contained in the Register of Titles, Perak South, volume 30 folio 77. The appeal has been argued on submissions of law which were not taken before the learned trial judge. It is necessary before considering the arguments to set out the facts.

On 31st July, 1936, the four respondents entered into a partnership agreement for the purpose of taking over and carrying on the business called M. K. Mohideen Rowther. The agreement provided for the four partners to work in specified pairs for periods of 18 months each. The agreement was for 6 years, to expire on 15th June 1942 and, unless a new agreement was made the partnership would be wound up. Although it was provided that the first and third respondents and the second and fourth respondents should work together during their two 18 months periods of service in the business, the agreement was clearly varied, for the second and third respondents went to India in June 1940 and did not return to Malaya until 1948. The business was carried on throughout the occupation period by the first respondent.

In February 1948 the second and third respondents returned to Malaya, and a partnership action was started in the High Court and a consent order was made on 2nd July 1948 dissolving the partnership.

On 28th June 1943 the first respondent purchased the land held under Grant 5481 in his own name, and the transfer was registered on 22nd August, 1945. The payments for the purchase price of the property appear in the firm's books.

On 26th May 1948 a caveat was presented by the second and third respondents and duly registered on the following day. On the 30th November 1948 an agreement for sale was entered into between the first respondent and the appellants. In the action for specific performance of the agreement for sale brought by the appellants against the first respondent, the first respondent did not enter an appearance, and the second, third and fourth respondents were joined as defendants at their own request.